

56-2043

5 JUN 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Monthly Progress Report
Insurance Refunds and Claims

REFERENCE : Memo to DD/S from IG, dated 2 Feb 56;
Subject: Insurance Refunds

1. This memorandum furnishes for your information, as requested in the above referenced memorandum, a report of progress in completing the backlog of insurance refunds and claims as of 25 May 1956.

2. The backlog of hospitalization claims has been eliminated and this activity is on a current basis: claims are being paid within 24 hours except when it is necessary to ask the subscriber to furnish additional information.

3. The backlog of WAEPA refunds is still at the original figure of 350. Progress in this area is in the reconciliation of accounts necessary to making these refunds. Consideration was given to making these refunds based on premium payment records available to this Office without reconciling these records against payments to the underwriter, payroll deduction records, and cash collections. This alternative was not adopted because of the number of errors found on a sampling of cases and the fact that the reconciliation would still have to be accomplished before placing WAEPA accounts on the National Cash Register system now used for all other plans. Delaying the refunds until this reconciliation is completed will ensure their accuracy and eliminate a potentially large number of adjustments.

SA-DD/S:RBS:mrp (7 June 56)

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1 - DD/S chrono

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4. In completing the reconciliation, we have finished checking the records of monthly payments to the underwriter for the past five years and carried forward prior balances. The underwriter has furnished "paid through" dates for the policies based on payments made to them. The reconciliation of cash collections and payroll deductions is in process. When this phase has been completed, the debits and credits for each account will be totalled to establish the current balance. This will provide an accurate basis for converting the account to the National Cash Register card for active accounts or for re-funding on cancelled accounts. The actual issuance of refund checks will take only about one week. However, the reconciliation preceding issuance of the checks may require approximately two months to complete. Accordingly we now estimate that all refunds will be accomplished by the first week in August 1956.

Signed

Harrison G. Reynolds
Director of Personnel